

SUBCOMMITTEE NO. 4

Agenda

Committee on State Admin., General Govt., Judicial, Transportation and Corrections

Chair, Senator Mark DeSaulnier



December 11, 2008

10:00 A.M.

Room 112

(Danny Alvarez, Brian Annis, Keely Bosler, Bryan Ehlers)

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Senate Budget and Fiscal Review Subcommittee #4 (State Administration, General Government, and Transportation)
December 11, 2008

Program Reduction		Gov Proposal			LAO Options			November Alternative			Senate Republican Alternatives		
		2008-09	2009-10	Total	2008-09	2009-10	Total	2008-09	2009-10	Total	2008-09	2009-10	Total
Transportation													
1	Eliminate State Funding for Transit Agency operations - Delete statutory program to allocate a portion of the sales tax on fuels to local transit agencies. Funding has been reduced in past years for General Fund relief, but the funding has never been completely deleted.	153.2	306.4	459.6									
2	Reduce State Funding for Transit Agency operations - No change to underlying statute, but reduce funding in 2008-09 and ongoing to one-half the 2007-08 funding level.							156.4	156.4	312.8			
3	Increase vehicle registration fees by \$12 as part of local public safety fund shift. Fund \$360 Million of Public Safety Programs with Vehicle License Fee (VLF) revenue - Shift VLF used to fund the Department of Motor Vehicles (DMV) to local subventions for public safety programs. Backfill DMV with a \$12 increase in the annual vehicle registration fee (the current base fee is \$52). (Detail on the public safety aspect of this proposal will be in the Judiciary/Criminal Justice section of Friday's agenda).	(92.0)	(359.0)	(509.0)				(92.0)	(359.0)	(509.0)			
4	Suspend Local Airport Grant programs. Suspend three grant programs for the state's 149 municipal airports. The associated revenue is from taxes on jet fuel and aviation fuel and can be transferred to the General Fund.				0.0	4.5	4.5						
5	Transfer Miscellaneous Motor Vehicle Account (MVA) Revenue to the General Fund. Transfer (not loan) all Motor Vehicle Account revenues not restricted by Article XIX of the State Constitution. These revenues are from sales of documents, and other miscellaneous sources that can be used for general purposes.				55.0	110.0	165.0	85.0	85.0	170.0			
6	Redirect Tribal Gaming Revenue. Redirect, to the General Fund, the portion of tribal gaming revenue currently directed to transportation loan repayment.				62.9	100.8	163.7	100.8	100.8	201.6			

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		2008-09	2009-10	Total	2008-09	2009-10	Total	2008-09	2009-10	Total	2008-09	2009-10	Total
Local Government													
1	Redevelopment Agency Pass-Through Payments. The 2008 Budget Act shifted \$350M in Redevelopment Agency (RDA) revenue to schools on a one-time basis, which reduces the State's Prop 98 obligation by the same amount. The LAO option would increase the current-year amount by \$50 million and make the pass-through requirement permanent. This requirement would offset part of the annual revenue loss K-14 districts experience due to redevelopment.			\$0.0	50.0	400.0	\$450.0			\$0.0			\$0.0
2	Animal Shelter Mandate —Repeal mandate that requires public animal shelters to hold animals a minimum of 6 days before euthanizing them. When this law passed in 1998, it was not expected to result in a state cost because shelters would receive increased adoption and owner-redemption fees. Instead local mandate claims sum to about \$23 million per year, and the LAO questions whether the goal to increase adoptions and reduce euthanization is being achieved.			0.0	0.0	25.0	25.0			0.0			0.0
3	Eliminate funding for the Williamson Act - Agricultural Land Preservation. Under this program land owners agree to maintain their land as open space in return for reduced property taxes. The state reimburses the local governments for the property tax loss. Note, there is an additional longer-term unscored savings from this proposal because the Williamson Act also reduces property tax paid to schools which is backfilled through Prop 98.	34.7	34.7	69.4			0.0	34.7	34.7	69.4			0.0
4	Redevelopment Agency Alternative —Establish a voluntary program in which RDAs pledge a portion of future tax increment in exchange for other concessions (i.e. prevailing wage, extension of time-periods, exemptions from increment cap).										NA	NA	N/A

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General Government													
1	Office of Planning and Research —Eliminate Cesar Chavez Grants.			0.0	2.5	2.5	5.0	2.5	2.5	5.0			0.0
2	Eliminate Various Programs —Eliminate Office of Administrative Law, Commission on the Status of Women, and the Commission for Economic Development.			0.0	0.9	3.5	4.4			0.0			0.0
3	Employee Compensation Changes. Governor proposed statutory change to implement reductions outside collective bargaining in the following areas: one-day furlough per month (\$450M); Eliminate two holidays and holiday premium pay (\$74M); and exclude leave from overtime calculation (\$30M) - all amounts are General Fund and full-year savings. The November Alternative scores savings to be negotiated through collective bargaining.	247.1	555.4	802.5			0.0	240.0	417.6	657.6			0.0
4	Controller's Office —Reduce funding provided for new modular furniture. Require Controller to prioritize funding for new furniture. In 2006-07, the Controller's Office purchased nearly \$7 million of new modular furniture for teh Controller's facilities at the Cannery Business Park in Sacramento. The annual cost to finance this purchase was \$996,000 (over 7 years).										1.0	1.0	2.0
5	California Science Center —Transfer ownership and operational obligations related to the Science Center to the City of Los Angeles, County of Los Angeles or another local agency.										0.2	0.2	0.4
6	CAAM Museum Expansion —Delay expansion of the museum. The 2008 Budget Act includes \$200,000 General Fund for Working Drawings. General Fund costs for 2009-10 are projected to be \$39.2 million.										0.2	39.2	39.4
7	Surplus Property —California Performance Review identified numerous high value properties that could be dispensed with. This issue should be discussed and the committee should identify properties that could be sold to help repay Economic Recovery Bonds.										N/A	N/A	N/A
8	Department of General Services —Delay additional capitol maintenance and repair projects. The 2008 Budget Act includes \$6.6 million General Fund for these projects. Reducing funding by \$2 million would leave \$4.6 million for projects in 2008-09.										2.0	2.0	4.0
9	Arts Council —Eliminate General Fund support of the Arts Council. The Council would continue to operate using federal funds and the Graphic Design License Plate Account (total of \$3.9 million).										1.1	1.1	2.2
10	Augmentation for Contingencies and Emergencies —Reduce this Budget Act appropriation by \$9.1 million (from \$44.1 million to \$35 million). The state only used \$13 million in 2006-07 and approximately \$18 million in 2007-08. If \$35 million is not sufficient, the Legislature could pass a supplemental appropriations bill.										9.1	9.1	18.2
11	Commission on State Mandates —Given the high cost of state mandated programs, the state should re-evaluate which ones can be repealed or restructured to generate savings on a statewide basis.												
12	Legislature —Employ a 5 percent across-the-board cut for both the Senate and Assembly.										13.1	13.1	26.2